

FLORIDA BANDMASTERS ASSOCIATION, INCORPORATED

**STATEMENTS OF CASH RECEIPTS AND
DISBURSEMENTS AND CASH BALANCES**

AS OF AND FOR THE YEAR ENDED JUNE 30, 2010

**FLORIDA BANDMASTERS ASSOCIATION, INCORPORATED
STATEMENTS OF CASH RECEIPTS AND
DISBURSEMENTS AND CASH BALANCES**

As of and for the Year Ended June 30, 2010

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditors' Report.....	1
Statements of Cash Receipts and Disbursements	2
Statements of Cash Balances	3
Notes to Financial Statements.....	4-6



J.D. GILBERT & COMPANY
CERTIFIED PUBLIC ACCOUNTANTS

350 Jim Moran Boulevard, Suite 220, Deerfield Beach, Florida 33442 • (954) 419-1000 • Fax (954) 419-1040
Toll Free (888) 419-2727 • E-Mail cpas@jdgilbert.com

Independent Auditors' Report

We have audited the accompanying statements of cash receipts and disbursements and cash balances of Florida Bandmasters Association, Incorporated as of and for the year ended June 30, 2010. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in note 1, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of Florida Bandmasters Association, Incorporated as of June 30, 2010, and its receipts and disbursements for the year then ended in conformity with the cash basis of accounting described in note 1.

J.D. Gilbert & Company

March 2, 2011

**FLORIDA BANDMASTERS ASSOCIATION, INCORPORATED
STATEMENTS OF CASH RECEIPTS AND DISBURSEMENTS**

For the Year Ended June 30, 2010

	<u>State</u> <u>Accounts</u>	<u>District</u> <u>Accounts</u>	<u>Savings</u> <u>Account</u>	Total (Memorandum Only)
Cash Receipts				
Membership Dues	\$ 56,845	\$ -	\$ -	\$ 56,845
Convention Fees	11,440	-	-	11,440
All-State Audition and Honor Band Fees	4,005	71,573	-	75,578
Gate Receipts	-	175,850	-	175,850
Music Performance Assessment (MPA) Fees	110,810	589,195	-	700,005
Medals, Plaques, Music, Recordings	2,052	28,083	-	30,135
Other	8,684	7,055	10	15,749
Contributions	500	8,018	-	8,518
Internal Transfers In	148,996	-	10,500	159,496
Transfers in from FSMA	<u>-</u>	<u>133,648</u>	<u>-</u>	<u>133,648</u>
Total Cash Receipts	<u>343,332</u>	<u>1,013,422</u>	<u>10,510</u>	<u>1,367,264</u>
Cash Disbursements				
FBA Personnel	72,550	3,231	-	75,781
Officer, Committee, and Board Meetings	23,719	17,069	4,000	44,788
MPA Expenditures	117,280	579,529	-	696,809
Annual FSMA Assessment	14,741	-	-	14,741
All-State and Honor Bands	9,410	30,250	-	39,660
Summer Convention Costs	11,574	-	-	11,574
Medals and Plaques	9,368	69,317	-	78,685
Annual FMEA Conference	12,183	-	-	12,183
Lobbying for FSMA/FMEA	2,500	-	-	2,500
Office and Administration	50,529	6,988	-	57,517
All State Audition Fees to State Account	-	34,340	-	34,340
MPA District Assessments to State Account for Entry Fees	-	98,606	-	98,606
Other Internal Transfers Out	10,500	1,050	15,000	26,550
Transfers out to FSMA	-	162,741	-	162,741
Transfers to Certificates of Deposit	<u>9,500</u>	<u>33,097</u>	<u>-</u>	<u>42,597</u>
Total Cash Disbursements	<u>343,854</u>	<u>1,036,218</u>	<u>19,000</u>	<u>1,399,072</u>
Excess of Cash Receipts over Cash Disbursements (Cash Disbursements over Cash Receipts)	<u>\$ (522)</u>	<u>\$ (22,796)</u>	<u>\$(8,490)</u>	<u>\$ (31,808)</u>

See Accompanying Notes to the Financial Statements

FLORIDA BANDMASTERS ASSOCIATION, INCORPORATED
STATEMENTS OF CASH BALANCES

As of and for the Year Ended June 30, 2010

	<u>State</u> <u>Account</u>	<u>District</u> <u>Accounts</u>	<u>Savings</u> <u>Account</u>	<u>Total</u>
Cash Balances, beginning of year	\$36,888	\$36,748	\$24,494	\$98,130
Excess of Cash Receipts over Disbursements (Cash Disbursements Over Cash Receipts)	<u>(522)</u>	<u>(22,796)</u>	<u>(8,490)</u>	<u>(31,808)</u>
Cash Balances, end of year	<u>\$36,366</u>	<u>\$13,952</u>	<u>\$16,004</u>	<u>\$66,322</u>

See Accompanying Notes to the Financial Statements

FLORIDA BANDMASTERS ASSOCIATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS

June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization - The not-for-profit Florida Bandmasters Association, Incorporated (the Association) was organized in 1936 and incorporated in 1987. It is a component organization of the Florida Music Educators Association, Inc. (FMEA). The Association's primary purpose is to promote and develop interest in instrumental and general music in Florida's middle and secondary schools. The Association provides opportunities for in-service growth through clinic and conferences, and by acting as a resource for college and university pre-service training programs that encourage professional development.

The Association is organized into twenty-one districts whose purpose is to promote middle and secondary school band activities and closer relationships between schools within smaller geographical areas.

Active membership in the Florida Bandmasters Association is open to fully accredited teachers of music in elementary or secondary schools of Florida. Associate membership is open to band faculty or administrative staff in Florida post-secondary schools and to other persons interested in band education. Other membership categories are available for retired, honorary, student, and adjudicator members. Only active members must hold joint membership in FMEA.

The Florida School Music Association, Inc. (FSMA) is a not-for-profit association of member schools that coordinates and oversees all interscholastic music activities in the state of Florida. The FSMA sanctions the Florida Bandmasters Association, as well as orchestral and choral associations, to sponsor district and state music performance assessments (MPA) for bands, choruses, and orchestras from Florida middle and secondary schools.

Activities – The Association sponsors several activities and events. These include: District and State Music Performance Assessments (MPA); District Honor Bands; All-State Band Ensembles; summer convention (including clinics); and other clinics, in-service and pre-service programs.

Basis of Accounting – The accompanying financial statements are prepared on the basis of cash receipts and disbursements which is a comprehensive basis of accounting other than generally accepted accounting principles. Under the cash basis of accounting, revenue is recognized when received and expenses and purchases when paid. Under generally accepted accounting principles, revenues are recognized when earned and expenses when incurred; additionally, purchases of tangible items are capitalized and recognized as expense when used. Consequently, the accompanying financial statements do not include accounts receivable and payable, prepaid expenses, inventory, deferred revenue, and other accounts normally included in financial statements prepared under generally accepted accounting principles.

FLORIDA BANDMASTERS ASSOCIATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2010

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

During the year ended June 30, 2010, the Association maintained a state bank account, one savings account and twenty-one district bank accounts.

The accompanying financial statements do not include monies temporarily held by the FSMA or monies invested in five certificates of deposit. The Association has \$262,262 at June 30, 2010, in bank certificates of deposit at one bank that have original maturity periods in excess of three months. At June 30, 2010, the Association also has \$162,741 in funds held temporarily by the FSMA.

Expenditures for goods and services acquired through use of the Association credit card are recorded when the credit card payment is made.

Receipts – Annual membership dues are assessed for the Association fiscal year with no proration. The Association also holds three types of events during the year for which fees are charged to participants: the Summer Convention, the All-State Auditions, and Music Performance Assessments. The Association also sells medals, plaques and music to local schools.

Interfund Transactions – The activities of the Association include interfund transfers. These transactions have not been eliminated or netted in the accompanying financial statements. Consequently, certain expenditures in the District Accounts are also included as receipts in the State Accounts. Additionally, the Association invested excess cash in certificates of deposit. In accordance with the cash basis of accounting, such investments are reported as expenditures. Consequently, when the certificates of deposit are liquidated, the funds will be reported as cash receipts.

The Association transfers excess cash to the FSMA at the end of each year, and FSMA returns such funds at the beginning of each year. Such transactions with the FSMA are included in cash receipts and disbursements based upon gross amounts.

Subsequent Events – Management has evaluated subsequent events through March 2, 2011, which is the date that the financial statements were available to be released.

Income Tax Status – The Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, and is classified as other than a private foundation. The Association files annual informational returns with the Internal Revenue Service. Generally, returns are subject to examination by the taxing authority for three years after date of filing.

FLORIDA BANDMASTERS ASSOCIATION, INCORPORATED
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 2010

NOTE 2 – CERTIFICATES OF DEPOSIT

The certificates of deposit, which are not included in the accompanying financial statements, mature as follows:

November 2010	\$ 58,086
July 2011	48,358
August 2011	105,886
April 2015	<u>49,932</u>
	<u>\$ 262,262</u>

NOTE 2 – RELATED PARTY TRANSACTIONS

Membership dues are received from the FMEA who acts as an agent for the Association in collecting the dues; dues remitted through the FMEA were \$54,270 for the year ended June 30, 2010. Annually, the Association pays an assessment to the FSMA based upon the number of participants in the music performance assessments; the Association paid \$14,741 for such assessments in the year ended June 30, 2010. The Association also paid \$2,500 to the FMEA/FSMA during the year for lobbying costs.

NOTE 3 – COMMITMENT

At June 30, 2010, the Association was obligated to remit \$13,492 to the FSMA for the 2009-2010 fiscal year music performance assessment participants. Such monies are paid in August each year for the previous fiscal year.

NOTE 4 – SUBSEQUENT EVENT

In July, 2010, the Board of Directors approved a \$4,000 donation to Florida Southern College for housing and maintaining the Association archives. A transfer of \$25,000 from the certificates of deposit to the operating account was also approved to fund that payment and certain other non-recurring expenditures anticipated for the 2010 – 2011 fiscal year.